

Mixed-Use Development & Adaptive Re-use of Buildings

General Uses of Funds:

Acquisition, demolition, and building rehabilitation¹ or adaptive re-use activities when clearly linked to economic development and jobs. Eligible projects include *mixed-use* buildings containing commercial use and *workforce housing*, that are located in *downtown or commercial center areas*. The *entire building façade* must be appropriately addressed, regardless of the portions of the building assisted. All units produced must (a) be occupied, (b) have pre-leases or other documentation indicating they will be occupied upon completion, or (c) be actively marketed.

Project Types:

- Commercial and/or residential rehabilitation or adaptive re-use of *mixed-use* buildings.
- Assistance for exterior building improvements that address conditions of blight in an area of blight approved by DHCD.
- Assistance to remove immediate threats to health and safety site or structure that is not located in an area of blight approved by DHCD.
- Removal of architectural barriers. Limited to projects which cannot otherwise be eligible under another provision of HCDA, are unable to meet LMI/Jobs or another national objective, and have an *economic development purpose*.

Funding Available:

- A mixed-use project qualifying for residential or commercial and residential assistance may receive a grant of \$100,000 to \$750,000, plus administration costs.
- Grants or *deferred payment loans* (DPLs) for housing development. (Note: If CDBG funds will assist the housing component of a mixed-use project, at least 51% of the project's units must be LMI units and the remaining units must be *workforce housing*.)
- Assistance for housing development is limited to a maximum per unit CDBG/EDF cost of \$125,000. For most housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs.
- Grants or DPLs to assist the rehabilitation of the exterior building façade of the commercial component of a mixed-use project. The *entire building façade* must be appropriately addressed, regardless of the portions of the building assisted. Mixed-use projects receiving only commercial assistance will be limited to the general EDF project cap of \$500,000.
- Economic Development Funds may be used alone or in partnership with other CDBG or non-CDBG funding sources to undertake building improvements for mixed-use projects.

Application packet: Rehabilitation Activities.

Other application packets: Massachusetts One Stop Housing Application (Sections 1-4)

Examples:

¹ The construction, renovation, remodeling or alteration of a building or facility that is open to the public triggers Massachusetts Architectural Access Board (AAB) requirements. If the work done in a 36-month period is greater than \$100,000, the work being performed is required to comply. In addition, an accessible entrance is required. Where provided, public telephones, drinking fountains and rest rooms must also comply. If the work done in a 36-month period is more than 30% of the "full and fair cash value" (usually the assessed value) of the building, the entire building must come into compliance. Additionally, the federal Architectural Barriers Act (ABA) requires that buildings and facilities constructed or altered with federal funds comply with federal standards for physical accessibility (41 CFR Section 101-19.6). For technical assistance, check with your local Building Inspector, Massachusetts Office on Disability (<http://www.Massachusettsgov/mod>) or the U.S. Architectural and Transportation Barriers Compliance Board (<http://www.access-board.gov>).

- ***Ayer – Fletcher Building***

Ayer received a FY 2010 EDF grant of \$877,895 to rehabilitate of the long vacant Fletcher Building located at 49 Main Street in Ayer's Main Street Mercantile Historic District. The funds are assisting the residential component on the second, third and fourth floors of the building, consisting of six, one-bedroom affordable rental units. The street level commercial space will be financed through other sources and will be occupied by a bakery and small grocery. Total development cost is a \$1.8 million. The project will support economic development in downtown Ayer by increasing job opportunities in the central business district and by spurring additional reinvestment in the downtown.

- ***Lee – 57 Main Street***

Lee received a FY 2011 EDF grant of \$481,277 to assist the acquisition of 57 Main Street, Lee, a three story, mixed-use building prominently located in the downtown. When the Town applied for funds the building was fully occupied and in a serious state of disrepair. A local non-profit, Berkshire Fund, Inc., is carrying out extensive upgrades and improvements using other State and private funding sources. Total development costs are \$2,755,000. When completed, the residential space will include 16 units (15 LMI), and will house the existing tenants. Rehabilitation of the three commercial/retail units at street level will include various code improvements and exterior façade work, and will retain local jobs and services.